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News

Toshiba launches DVD players, sans software
Doug Olenick

New York-After more than two years of tentative launch dates for a DVD movie player, Toshiba America Consumer Products has started shipping its first two models to retailers.

However, while the wait may be over for the hardware, consumers in most of the United States will have to hang on for several more months until DVD movie titles become available. Time Warner, which is allied with Toshiba, plans to ship software to only seven cities starting on March 24, while the DVD players will be available nationwide, said John Powers, Time Warner's director of DVD marketing.

Time Warner will have 32 titles available that day. The company plans to release eight to 10 new titles per month for the remainder of the year to its first markets only, to test the waters. The initial markets are New York, Chicago, Dallas, Los Angeles, San Francisco, Seattle and Washington, D.C. Time Warner has no firm plans for distribution beyond these cities, but Powers said the company would consider shipping beyond the seven markets when other movie companies started shipping titles.

Toshiba began shipping the SD-2006 and SD-3006 players to these seven markets, and by the end of March, the units will be available nationwide. The players have suggested retail prices of \$599 and \$699, respectively, with expected street prices probably 15 percent to 20 percent lower, said Steve Nickerson, Toshiba vice president of marketing.

Toshiba executives said they do not believe the lack of DVD titles will have a negative impact on sales, saying customers interested in leading-edge technology will buy the units and wait for the software.

"This is not going to be detrimental to sales. First adopters will take the leap of faith and buy them," said Nickerson.

Not all retailers agree. Akron, Ohio-based Roberds plans only to use the Toshiba players to demonstrate DVD to its customers until some

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software is available, said Bill Webber, the chain's vice president for electronics.

Harvey Electronics, a New York-area audio specialty retailer, will not even stock a DVD player until software is available, said Franklin Karp, Harvey Electronics' president.

Karp said he believes it is a mistake to start selling any hardware before software is available, comparing it with the error that was made when laser disc was first introduced. His chain will start selling a DVD unit from high-end audio maker Meridian later this month and follow with Sony's player, expected in April.

Shipping the hardware to stores several weeks prior to software becoming available was done for logistical reasons, said Nickerson. This ensures an adequate supply is on hand by the time the software starts to sell. Toshiba is maintaining a positive outlook, suggesting that the period be used to demonstrate the product to increase consumer awareness, said Nickerson.

Toshiba acknowledged software is an important factor for hardware sales. The company is hoping all retailers carrying the DVD players will also sell the movie titles, even if the store does not currently handle movie titles, said Nickerson.

"You need to have software and hardware together for DVD to work," he said, adding Toshiba will not make such merchandising a requirement.

To help get sales associates up to speed on the players, Toshiba is launching an intensive three-week training blitz that includes company representatives conducting classes in every storefront in the seven initial markets.

A demonstration kiosk, built around a 55-inch television and the two player models, will play a DVD demo disc. Several consumer promotions are beginning, as well.

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---- INDEX REFERENCES ----

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